

## HOUSE BILL NO. 1669

## AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Finance

on \_\_\_\_\_)

(Patron Prior to Substitute--Delegate Carr)

A BILL to amend the Code of Virginia by adding in Chapter 38 of Title 58.1 an article numbered 7.2, consisting of a section numbered 58.1-3835, relating to a local disposable plastic bag tax.

**Be it enacted by the General Assembly of Virginia:**

**1. That the Code of Virginia is amended by adding in Chapter 38 of Title 58.1 an article numbered 7.2, consisting of a section numbered 58.1-3835, as follows:**

Article 7.2.Disposable Plastic Bag Tax.**§ 58.1-3835. Disposable plastic bag tax.**

A. Any locality may, by duly adopted ordinance, impose upon every consumer of tangible personal property a tax in the amount of five cents (\$0.05) for each disposable plastic bag provided, whether or not provided free of charge, to the consumer by retailers in grocery stores, convenience stores, or drug stores. The tax shall be collected by the retailer, along with the purchase price and all other fees and taxes, at the time the consumer pays for such personal property. However, every retailer that collects the tax imposed by this article shall be allowed to retain one cent (\$0.01) from every five cents (\$0.05) collected, provided that such retailer discounts are accounted for in the form of a deduction when submitting the tax return and paying the amount due in a timely manner.

B. The tax imposed by this article shall not apply to the following:

1. Durable plastic bags with handles that are specifically designed and manufactured for multiple reuse;

2. Plastic bags used to carry ice cream, meat, fish, poultry, leftover restaurant food, newspapers, or dry cleaning;

27 3. Plastic bags used to carry alcoholic beverages or prescription drugs; and

28 4. Multiple plastic bags sold in packages and intended for use as garbage, pet waste, or leaf removal  
29 bags.

30 C. The Tax Commissioner shall collect, administer, and enforce this tax in the same manner that  
31 he collects, administers, and enforces the retail sales and use tax under Chapter 6 (§ 58.1-600 et seq.),  
32 mutatis mutandis. However, the dealer discount provided under § 58.1-622 shall not be allowed and the  
33 revenues from the tax authorized under this section, after reimbursement of direct costs incurred by the  
34 Department of Taxation in administering and collecting this tax, shall be distributed by the Comptroller  
35 to the respective locality imposing the tax as soon as practicable after the end of each month for which the  
36 tax is remitted. The Tax Commissioner shall develop and make publicly available guidelines  
37 implementing the provisions of this article. Such guidelines shall be exempt from the provisions of the  
38 Administrative Process Act (§ 2.2-4000 et seq.).

39 The Department shall enforce the provisions of this article.

40 D. Each local ordinance imposing the tax shall provide for the tax to become effective on the first  
41 day of any calendar quarter. The locality shall, at least six months prior to the date the tax is to become  
42 effective, provide a certified copy of such ordinance to the Tax Commissioner. Such ordinance shall  
43 provide that the locality shall use the funds for pollution and litter mitigation.

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